

Message Text

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TO SECSTATE WASHDC 8745

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AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

AMCONSUL BELFAST

AMCONSUL LIVERPOOL

AMCONSUL EDINBURGH

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 03091

LIMDIS

E.O. 11652: XGDS-1

TAGS: PINT, EC, UK

SUBJECT: UK AND THE EC

SUMMARY: DURING PAST SEVERAL WEEKS, I HAVE PROBED UK-EC
MEMBERSHIP OUTLOOK IN DISCUSSIONS WITH MANY OF THE MAJOR
ACTORS IN DRAMA WHICH WILL BE PLAYED OUT DURING NEXT

SEVERAL MONTHS. THIS MESSAGE OUTLINES PRINCIPAL CONCLU-
SIONS FROM THIS SERIES OF CONVERSATIONS, WHICH ESSENTIAL
CONFIRM WHAT THIS EMBASSY HAS PREVIOUSLY REPORTED ON THIS
SUBJECT. DURING COURSE OF THESE WEEKS, I HAVE MET WITH
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PRINCIPAL OPPONENTS, INCLUDING WEDGWOOD BENN, PETER

SHORE, MICHAEL FOOT (BARBARA CASTLE AND HUGH SCANLAN ARE SCHEDULED FOR NEXT WEEK) AND ENOCH POWELL; PRINCIPAL PROPONENTS, INCLUDING SHIRLEY WILLIAMS, ROY JENKINS, HAROLD LEVER, TED HEATH, WILLIAM WHITELAW AND JEREMY THORPE; AND A NUMBER OF THE KEY "SWING" ELEMENT, INCLUDING DENIS HEALEY, FRED PEART, JACK JONES AND LEN MURRAY; AND OTHERS - LIKE MARGARET THATCHER AND REGINALD MAUDLING - WHOSE VIEWS WILL CARRY WEIGHT. END SUMMARY

1. IT IS NOW GENERAL EXPECTATION (ALTHOUGH LABOR UNION AND POLITICAL LEADERS, PARTICULARLY, ARE CAREFUL TO QUALIFY THEIR PREDICTIONS BY NOTING THAT SUCCESS IN RENEGOTIATION IS NOT YET A SURE THING), SHARED BY BOTH SIDES, THAT WILSON AND CALLAGHAN WILL ACHIEVE SUFFICIENT CONCESSIONS DURING RENEGOTIATION PROCESS TO BE ABLE TO CLAIM THAT THEIR MANIFESTO REQUIREMENTS ARE MET. IT HAS ALSO

BEEN CLEAR FOR SOMETIME THAT WILSON HAS ACCEPTED OBLIGATION TO RECOMMEND FAVORABLE ELECTORATE DECISION ON MAINTENANCE BRITISH MEMBERSHIP IN REFERENDUM. IT IS ALSO CLEAR THAT BENN, SHORE, FOOT AND CASTLE WILL BE UNMOVED REGARDLESS OF RENEGOTIATION OUTCOME. THEY ARE OPPOSED IN PRINCIPLE AND, IN THEIR VIEW, RENEGOTIATION IS ONLY TINKERING AT THE MARGINS OF THE ISSUE. IT IS ALSO CLEAR THAT THE REFERENDUM (DESPITE THE UNIVERSAL RESERVATIONS ABOUT RESORT TO THIS POLITICAL DEVICE IN BRITISH PARLIAMENTARY SYSTEM) AND WILSON'S DECISION TO ALLOW CABINET MEMBERS TO SPEAK FREELY ON ISSUE HAVE KEPT THE LABOUR PARTY AND HIS GOVERNMENT WHOLE.

2. WHAT IS LESS CLEAR IS WHETHER WILSON (AND TO SOME DEGREE CALLAGHAN AND HEALEY) - THE "SWING" VOTE ON THIS ISSUE - WILL GET OUT AND SPEAK UP STRONGLY ON THE ISSUE OR TAKE AN "ABOVE THE BATTLE" STANCE IN EFFORT TO PROTECT THEIR OWN POLITICAL POSITIONS AS WELL AS PARTY UNITY IN EVENT THE REFERENDUM WENT AGAINST CONTINUED MEMBERSHIP. HEALEY TOLD ME THAT HE, CALLAGHAN AND OTHERS WOULD NOT ALLOW PM "TO GET AWAY" WITH A POSITION OF LUKEWARM SUP-

PORT, BUT OTHERS (E.G. LEVER) ARE LESS SURE. (PARENTHETICALLY, IT HAS BEEN SUGGESTED BY SOME THAT MARGARET THATCHER WILL ALSO HOLD HERSELF ALOOF FROM THE FRAY IN CONFIDENTIAL

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ORDER TO INSULATE HERSELF FROM POSSIBLE NEGATIVE OUTCOME. IN MEETING ON FEBRUARY 27 SHE TOLD ME SHE WAS STRONG FOR UK MEMBERSHIP, SAW NO ALTERNATIVE FOR UK OR "FREE WORLD" BUT WOULD NOT TRY TO TAKE OVER WHAT WAS PROPERLY A SHADOW CABINET FUNCTION.) THE SIZE OF THE VOTE IN THE CABINET IS ALSO UNCERTAIN: IT COULD BE AS SMALL AS 4 AGAINST CONTINUED MEMBERSHIP, OR, AS SHIRLEY WILLIAMS BELIEVES, UP TO 8 AGAINST (WITH SILKIN, MORRIS, ROSS AND VARLEY

JOINING THE "HARD CORE"). THE LARGEST IMPONDERABLE OF ALL, OF COURSE, IS REFERENDUM OUTCOME. BY FAR THE LARGEST MAJORITY BELIEVES THAT IF THERE IS A GOVERNMENT RECOMMENDATION TO STAY IN AND THE ECONOMY DOES NOT RADICALLY WORSEN IN SUCH A WAY AS TO PRODUCE A "FRUSTRATION" VOTE AGAINST THE ESTABLISHMENT, THE MAJORITY OF THE VOTERS WILL VOTE TO SUSTAIN GOVERNMENT RECOMMENDATION. ONLY MICHAEL FOOT (AND, AT OTHER END OF SPECTRUM, NEIL MARTEN, TORY BACKBENCH LEADER OF THE "ANTI" FACTION)

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PROFESS TO BELIEVE THAT REGARDLESS OF THE POSITIVE CABINET DECISION WHICH THEY FULLY EXPECT, THE VOTE WILL GO AGAINST THE RECOMMENDATION. OTHER OPPONENTS SAID THAT IT WAS ESSENTIALLY UNPREDICTABLE (E.G., BENN, SHORE AND POWELL), OR CONCEDED (E.G., VARLEY) THAT THE VOTE WOULD GO WITH THE GOVERNMENT MAJORITY.

3. MOST DID NOT BELIEVE THAT THE SUBSTANCE OF THE ARGUMENTS WOULD HAVE MUCH IMPACT ON PUBLIC OPINION, ALTHOUGH THOSE WHO DID FELT THAT THE ARGUMENTS CON WOULD CARRY MORE WEIGHT IN PUBLIC OPINION THAN THE ARGUMENTS PRO. SINCE HIGHER FOOD PRICES AND LOYALTY TO COMMONWEALTH TIES

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HAVE BEEN DIFFUSED AS PERSUASIVE ARGUMENTS, THOSE THAT ARE LIKELY TO HAVE MOST IMPACT WILL BE ECONOMIC ARGUMENTS ADVANCED BY PETER SHORE (E.G., THAT IN A SITUATION PERMITTING FREE MOVEMENT OF CAPITAL AND LABOR, INDUSTRIES WILL GRAVITATE TOWARD THE CONTINENTAL CENTER OF THE MARKET, LEAVING UK IN SAME RELATIONSHIP TO CONTINENT AS SCOTLAND BEARS TO ENGLAND), OR "SOVEREIGNTY" ARGUMENT STRESSED BY BENN AND FOOT (I.E., THAT BRITAIN'S UNIQUE GENIUS FOR SELF-GOVERNMENT AND ABILITY TO SHAPE ITS OWN

POLITICAL AND ECONOMIC INSTITUTIONS WILL INEVITABLY BE SUBMERGED AND LOST IN LARGER GROUPING WITH WHICH BRITAIN SHARES FEW TRADITIONS AND AFFINITIES). POWELL - A POWERFUL SPEAKER - COULD HAVE CONSIDERABLE APPEAL IN FOCUSING ANTI-FOREIGN FEELINGS. ULTIMATELY, OBSERVERS ON BOTH SIDES APPEAR TO AGREE, THE KEY WILL BE WILSON, AND TO A LESSER BUT IMPORTANT EXTENT CALLAGHAN AND HEALEY, WHO HAVE NOT BEEN IDENTIFIED AS EITHER STRONG PRO- OR ANTI-MARKETEERS IN THE RECENT PAST, AND WHO HAVE BEEN REGARDED AS APPROACHING SUBJECT WITH BECOMING DEGREE OF SKEPTICISM. MAN-IN-THE-STREET IS MORE LIKELY TO TAKE VIEW THAT IF THESE FUNDAMENTALLY SOUND AND HARD-HEADED PEOPLE THINK IT'S ALL RIGHT, WELL THEN IT MUST BE. IT WILL BE THIS FACTOR WHICH WILL OUTWEIGH LATENT MAJORITY HOSTILITY TO THE IDEA OF CONNECTING THEMSELVES TO THE CONTINENT, FOR WHOM THE ANGLO-SAXONS OF THIS ISLAND CONTINUE TO FEEL XENOPHOBIC SUSPICION AND SENSE OF SUPERIORITY. FEW ON EITHER SIDE OF THIS QUESTION DOUBT THAT THE VOTE WOULD GO AGAINST IF THE GOVERNMENT SAID TO THE PUBLIC "MAKE UP YOUR OWN MINDS."

4. THE MOST INTERESTING ASPECT OF THIS SUSTAINED FORAY INTO DISCUSSION IN DEPTH WITH KEY BRITISH LEADERS IS THAT NONE OF THEM SEEMS TO HAVE ANY MORE ANALYTIC INSIGHTS OR SENSE OF CONFIDENCE ABOUT THE OUTCOME THAN CAN BE GARNERED FROM LONDON PRESS. THE MAJOR CONCERN ON BOTH SIDES IS OVER THE POLITICAL AND CONSTITUTIONAL CON-

SEQUENCES OF A SMALL VOTER TURNOUT AND A MINOR MARGIN
AGAINST. SINCE PARLIAMENT, WHERE A MAJORITY OF MPS CON-
TINUES TO FAVOR MEMBERSHIP, WOULD HAVE TO LEGISLATE THE
WITHDRAWAL FROM EC, AN INCONCLUSIVE RESULT MIGHT PRE-
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CIPITATE A POLITICAL UPHEAVAL THAT COULD LEAD TO ANOTHER
GENERAL ELECTION.

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